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The Coast Guard's Cleanup of Hazardous Waste Sites

Statement for the record by
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Before the
Subcommittee on Coast Guard and Navigation
Committee on Merchant Marine and Fisheries
House of Representatives



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Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to testify about our recent work on the Coast Guard's progress in carrying out its responsibilities under the Resource Conservation and Recovery Act (RCRA) and under what is commonly referred to as the Superfund Act¹. As the Subcommittee is aware, under these acts both federal agencies and private entities are responsible for controlling and managing hazardous waste materials currently being generated and for cleaning up facilities contaminated with hazardous waste materials.

The Subcommittee is now considering legislation that would establish a program in the Coast Guard for centralizing the management and funding of its hazardous waste cleanup.² As part of its efforts, the Subcommittee requested that we update information on the Coast Guard included in two earlier GAO reports on federal agencies' environmental compliance efforts.³ Given this charge, we obtained information on the status and cost of the Coast Guard's efforts to identify and clean up its hazardous waste locations and

¹Formally known as the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)

²This program would be similar to the Department of Defense's Defense Environmental Restoration Account.

³Hazardous Waste: Federal Civil Agencies Slow to Comply With Regulatory Requirements (GAO/RCED-86-76, May 6, 1986) and Superfund: Civilian Federal Agencies Slow to Clean Up Hazardous Waste (GAO/RCED-87-153, July 24, 1987).

to comply with environmental regulatory requirements. We did not, however, assess the reasonableness or the quality of the Coast Guard's efforts.

Although our work is not yet completed, we can make three observations to date, as follows:

- First, the Coast Guard believes it has identified all of its hazardous waste locations. While the agency has cleaned up 12 of the 26 locations it has determined to need such action, it estimates its three major cleanup efforts will take up to 30 years to complete and could cost \$100 million.
- Second, about 22 percent of the Coast Guard's 172 hazardous waste handlers were inspected during the past 3-1/2 years, and almost half of those inspected were cited for violating hazardous waste regulations. Of the 129 violations cited, 29 have not been corrected, and about 83 percent of these are at two locations where major cleanup actions are needed--Elizabeth City, North Carolina, and Kodiak, Alaska.
- Third, it is difficult for the Coast Guard to project with more precision the long-term funding needs for cleaning up its hazardous waste locations or for correcting violations of RCRA regulations. This difficulty occurs for two main

reasons: (a) several locations are still being investigated to determine the extent of hazardous waste problems and the cleanup methods needed and (b) field offices are not reporting required data on violations and related costs.

COAST GUARD'S PROGRESS IN IDENTIFYING, ASSESSING,
AND CLEANING UP HAZARDOUS WASTE LOCATIONS

I would like to first address the Coast Guard's progress in identifying, assessing, and cleaning up its own hazardous waste locations, as well as its responsibility for the cleanup of other locations used by the Coast Guard and other parties.

Status of Activities

Since the early 1980s, the Coast Guard has identified 61 potential hazardous waste locations. The agency believes it has identified all of its hazardous waste locations but acknowledges that a few additional small locations could be identified.

Between the early 1980s and 1989, the Coast Guard assessed 50 of its 61 potential hazardous waste locations and determined that 24 required no further action while 26 needed some form of cleanup. Agency officials expect to complete assessments or

investigations for the remaining 11 locations in fiscal year 1990 or 1991.

According to its data, the Coast Guard cleaned up 12 of the 26 locations since the early 1980s. These locations required relatively minor actions--such as the excavation of buried waste, tanks, and/or contaminated soil, or the removal of used batteries. Although the Coast Guard could not provide actual costs for cleaning up each location, it estimated that the costs for each ranged from about \$3,000 to \$30,000.

The Coast Guard estimates that relatively minor actions at eight of the 14 locations requiring cleanup will total about \$436,000 and that these efforts should be completed by 1991. Costs for two other locations requiring minor cleanup actions are unknown. According to the Coast Guard headquarters' environmental section chief, the agency was hindered in its efforts to clean up these minor locations earlier because of an inadequate number of staff with environmental and contracting expertise.

Four of the locations that remain to be cleaned up will require extensive actions at significant cost. Cleanup at one of the four locations--the Brooklyn, New York Air Station--is underway and is expected to be completed by the year 2000. Costs to date have totaled about \$500,000, but total estimated cleanup costs are still unknown. The Coast Guard is conducting

investigations or cleanup actions at the other three --Air Station Traverse City, Michigan; Support Center Elizabeth City, North Carolina; and Support Center Kodiak, Alaska. The cleanups required at these locations is considered major because they largely involve potentially extensive groundwater and soil contamination.

(Attachment I summarizes assessment and cleanup activities at the Coast Guard's 61 potential hazardous waste locations.)

Status of Major Cleanup Locations

Given the magnitude of the efforts that will be required at the three major cleanup locations, I would like to briefly summarize the status of these efforts. The Coast Guard has begun cleaning up hazardous waste at Traverse City. The other two locations are being investigated to determine the types and levels of contaminants that are present. The Coast Guard plans to begin cleanup efforts at these two locations in fiscal year 1990 or 1991. Agency appropriated funds to date have amounted to about \$15 million, and it currently estimates total costs of about \$40 to \$100 million to investigate and clean up the three locations over the next 15 to 30 years.

Traverse City Air Station

At the Traverse City Air Station, groundwater contamination was identified at two sites. The first, identified in 1980, was

caused by a 1969 aviation fuel spill; the second, identified in 1985, was caused by three leaking fuel tanks. As a result of this groundwater contamination, local residents needed to have their water supplies connected to city water at Coast Guard expense, and a lawsuit on this issue led to a settlement agreement. The Coast Guard's cleanup efforts started in 1984, and cleanup and monitoring activities are expected to continue until the year 2005. The agency has already been appropriated about \$7 million and estimates that cleanup costs will total about \$20 million.

Elizabeth City Support Center

The second major cleanup location, the Elizabeth City Support Center, has two hazardous waste sites that were identified in 1985. The major problem at these sites is groundwater contamination caused by a leaking hazardous waste lagoon and by leaking storage tanks at a fuel farm. The investigation of these sites has been underway for over 2 years. According to the Coast Guard, there have been several unanticipated delays in starting the cleanup effort at Elizabeth City. These include changing requirements from the Environmental Protection Agency (EPA) and the state of North Carolina as to the extent of cleanup needed, changes in the assessment contractor, increased state requirements for assessment and RCRA permits, and slow turnarounds from commercial laboratories testing groundwater contamination.

The Coast Guard plans to begin cleaning up the groundwater in fiscal year 1991 and expects that the cleanup and monitoring will require about 25 years to complete. Its investigation and cleanup appropriated funds through fiscal year 1989 have totaled about \$5.8 million, and it estimates that total cleanup costs will range from \$10 to \$30 million.

Kodiak Support Center

The third major cleanup location, the Kodiak Support Center, has 19 potential hazardous waste sites that were identified between 1980 and 1989. The Coast Guard is currently investigating six sites where hazardous wastes--primarily solvents and petroleum products--were disposed of or leaked into the ground. This investigation has been underway for about 2 years. The agency plans to start cleanup actions in fiscal year 1990 or 1991 and believes that cleanup and monitoring will take about 30 years to complete. It estimates that appropriated funds for fiscal years 1987 through 1989 will total about \$2 million and that total costs will range from about \$10 to \$50 million.

Mr. Chairman, I understand that the Subcommittee is concerned about the extent of contamination, estimated costs, and liability for cleaning up the PCB, or polychlorinated biphenyl, contamination at the Kodiak facility. Although the Coast Guard sold the facility's electrical distribution system--including poles,

cables, and transformers--to the Kodiak Electric Association in November 1984, the land and structures containing the electrical equipment remain the property of the Coast Guard. In June 1985, the EPA found PCB contamination at the facility. While the Coast Guard has stated it will clean up the contaminated land and structures, there is a dispute between the Coast Guard and the Kodiak Electric Association over liability for the cleanup and replacement of contaminated cables and transformers.

According to the headquarters' environmental section chief, the Coast Guard currently estimates cleanup costs of about \$1 million to clean up contaminated land and structures. The Kodiak Electric Association believes that the cleanup of the PCB contamination in some transformers and cables could cost \$5 million. While the Kodiak Electric Association has said it would help in the clean up of the transformers and cables, it believes the Coast Guard should pay for these actions because the items were contaminated at the time of sale. The Coast Guard, however, has taken the position that no contamination was known of at the time of sale and the Association purchased the equipment "as is, where is." The EPA and the Coast Guard are negotiating a memorandum of agreement concerning the cleanup of PCB contamination of land and structures. The disagreement between the Coast Guard and the Kodiak Electric Association regarding the liability for the cleanup of transformers and cables has not been resolved.

Third-party Superfund Sites

In addition to cleaning up its own hazardous waste locations, the Coast Guard is also responsible for paying its portion of the investigation and cleanup costs for 12 sites that are primarily public and private landfills used by several parties. The Coast Guard's share of costs is based on the amount and toxicity of the waste it sent to the site.

In the past 2 fiscal years, the Coast Guard's share of the investigative and administrative costs for third-party locations totaled about \$2 million, and agency officials are uncertain of future costs. The headquarters environmental section chief told us that the agency had not estimated the total costs for third-party sites, nor had it estimated when cleanup could be completed because the extent of contamination is still being investigated. The official acknowledged that in some cases, such as groundwater contamination, the cleanup may take 5 years and the monitoring may take another 20 to 30 years. (Attachment II lists the Coast Guard's third-party sites.)

COAST GUARD EFFORTS TO COMPLY WITH RCRA REQUIREMENTS

Up to this point, I have discussed the Coast Guard's efforts to deal with problems resulting from past hazardous waste disposal practices. Now I would like to turn to the agency's performance in ensuring that facilities that are currently handling hazardous waste comply with federal regulations. One note, however: the Coast Guard does not routinely collect and summarize data on environmental violations at facilities that handle hazardous waste even though it has instructions requiring such activities. The information that we are presenting is from a recent Coast Guard survey of its facilities that was done at our request.

Coast Guard's Hazardous Waste Activities

The Coast Guard operates hundreds of facilities, many of which handle hazardous waste materials regulated under RCRA. The primary types of hazardous waste the Coast Guard handles include used batteries and spent solvents and paints. The facilities handling wastes are subject to environmental inspections by either EPA or a state agency to determine if the facilities comply with RCRA regulations on recordkeeping and reporting, contingency planning, personnel training, and other activities.

About 76 percent of the Coast Guard's 172 facilities that have been identified as handling hazardous waste handle small amounts--less than 2,200 pounds per month, or the equivalent of about five full 55-gallon drums. Two of the Coast Guard's largest handlers--

the support centers in Elizabeth City and Kodiak--are treatment, storage, and disposal facilities that accumulate hazardous waste for more than 90 days.

Inspections and Violations at Coast
Guard Hazardous Waste Handlers

As the recent survey of inspections and violations shows, of the Coast Guard's 172 facilities that handle hazardous waste, about 22 percent were inspected on 74 occasions from January 1, 1986, through June 1, 1989, by either EPA or the states in which the facilities were located. Treatment, storage, and disposal facilities were the most frequently inspected, and small quantity waste generators were the least frequently inspected.

Of the 37 facilities that were inspected, about 46 percent were cited for violating 129 RCRA requirements. According to Coast Guard officials, the specific types of violations ranged widely: they included improper recordkeeping, storage, disposal, and labeling; not testing wastes to confirm or deny classification as hazardous waste; and inadequate contingency plans designed to minimize hazards from fires, explosions, or any unplanned release of hazardous waste. The officials told us that the two most frequent types of violations were storage of wastes for longer than the authorized period of time (usually 90 days) and not maintaining the records that RCRA requires.

As of August 1989, according to the Coast Guard, the agency had corrected 100 violations, with 29 violations remaining open at four facilities. About 83 percent of the open violations are at two locations where major cleanup efforts are needed--Elizabeth City and Kodiak. Some of the 29 violations have been open for more than 1 year. The Coast Guard believes that most of the remaining open violations are the type that the EPA considers serious--for example, a land disposal facility with violations of requirements for groundwater monitoring, closure, post-closure, or financial responsibility.

FUNDING CLEANUP EFFORTS AND

ENVIRONMENTAL COMPLIANCE

Another concern of the Subcommittee is whether the Coast Guard has been receiving adequate funding to clean up its hazardous waste locations. The Coast Guard believes that its past and current funding levels for these efforts, which were \$6.5 million in fiscal year 1988, \$8.0 million in fiscal year 1989, and \$5.9 million in fiscal year 1990, have been and remain adequate for its present stage of work--mainly cleaning up minor locations and investigating major locations. While the agency recognizes that its future funding for cleaning up major hazardous waste locations will need to be increased, it will be unable to more precisely project the

total funding needed until assessments and investigations are completed at all locations.

In addition to funding cleanup of hazardous waste locations, the Coast Guard must also fund activities to maintain its compliance with environmental laws. However, the agency is unable to accurately state its actual costs or to more precisely project its future costs related to environmental violations because of incomplete data.

Funding of Hazardous Waste Cleanup Locations

The Coast Guard uses funds primarily from its Acquisition, Construction, and Improvement (AC&I) account to investigate and clean up its major hazardous waste locations. It also uses Operating Expense (OE) funds to (1) investigate and monitor major cleanup locations, (2) clean up minor locations, which includes 10 of the 14 locations remaining to be cleaned up, and (3) pay the Coast Guard's share of the investigation costs for third-party sites. Coast Guard officials informed us that in the future, Department of Defense funds may also be available for investigating and cleaning up some of the Coast Guard's hazardous waste sites that were formerly Defense-owned properties. Defense funding would depend on the Coast Guard and Defense agreeing on

whether the Coast Guard had contributed to the contamination at these sites.

During fiscal years 1988 through 1990, the Coast Guard's appropriated AC&I funds available for cleanup activities averaged about \$3.4 million annually and its appropriated OE funds also averaged about \$3.4 million annually. The Coast Guard believes that such levels of funding is adequate for its present stages of investigation and cleanup work. The fact that the Coast Guard did not spend all of the AC&I hazardous waste cleanup funds in 2 of the past 3 fiscal years that it expected to and reprogrammed the funds for other uses indicates that funding has been adequate. For example, because of the unanticipated delays experienced by the Coast Guard in starting its cleanup effort at Elizabeth City, about \$4.7 million of the \$5.3 million of AC&I funds appropriated in fiscal years 1987 and 1988 was reprogrammed from hazardous waste cleanup to ship repairs. Although the Coast Guard believes that future funding will need to be increased to clean up the major locations, it does not yet know what levels of long-term funding will be needed because two of the three locations are still being investigated.

Funding of Environmental Compliance Program

In 1985, the Coast Guard instructed its field commands to report environmental violations and financial implications of

noncompliance to its headquarters' program office. Immediately after being cited for a violation, field commands are required to notify the Coast Guard headquarters of environmental violations and provide data on actual or estimated costs, including cleanup and litigation costs, to correct the violations. After corrective actions are completed, the field commands are required to provide headquarters with a description of actions taken to remedy the violation, the proposed action to be taken to prevent similar violations in the future, and an accounting of all costs incurred. The field commands are supposed to summarize all costs incurred each year from correcting violations.

Despite these requirements, not all of this information was available at the headquarters' environmental office. Thus, the office that manages these activities does not have complete data on violations and costs incurred in correcting them. To develop this information, the office, at our request, surveyed field commands to obtain data on violations that occurred during the past 3-1/2 years. The headquarters' environmental section chief told us that, in his opinion, this information is generally not being provided for a variety of reasons, including field staff who are unaware of the reporting requirement, inadequate staff time to comply with the requirement, staffing turnover, and a 1988 Coast Guard reorganization which changed responsibilities for these activities. The official said that the insufficiency of this information may have affected the Coast Guard's budget requests for environmental

compliance, and having this information may help the agency obtain needed funding in the future.

The Coast Guard headquarters' program office is planning to reissue its reporting instructions to reemphasize the importance of reporting violations and related costs. If the field commands report this information, the agency would have more useful, complete information to estimate its future funding requirements for complying with environmental laws.

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In summary, Mr. Chairman, the Coast Guard still has most of its major hazardous waste cleanup work to do. This effort will cost millions of dollars and will take decades to complete. The Coast Guard, however, cannot estimate long-term cleanup costs with confidence until it assesses and investigates potential hazardous waste locations. For the most part, the Coast Guard's data indicates it is complying with regulations for its facilities currently handling hazardous wastes. Most of the violations yet to be corrected are at two facilities that have hazardous waste sites scheduled for major cleanup actions. We are concerned, however, that the Coast Guard is not collecting the type of information needed to support long-term budget requests. If the Coast Guard's plan to reissue instructions to its field commands improves

reporting, it could provide better assurance that the Coast Guard has the information necessary to estimate future funding needs.

This concludes my prepared remarks. I will be pleased to answer any questions you or other members of the Subcommittee may have.

ASSESSMENT AND CLEANUP ACTIVITIES AT COAST GUARD'S 61 POTENTIAL
HAZARDOUS WASTE LOCATIONS

Locations That Need to Be Assessed (11)

Base Ketchikan, AK
Point Spencer Dump, AK
Station Ft MacArthur, CA
LORAN Station Middletown, CA
Avery Point, CT
Avery Point (Bldg. 37), CT
Base Miami Beach, FL
Back Creek Rear Range Structure, MD
Coast Guard Yard, MD
Station Sandy Hook, NJ
Support Center Seattle Annex, WA

Locations That Need No Further Action (24)

Base Yerba Buena Island, CA
Support Center, Alameda, CA
Support Center, San Pedro, CA
Base Mayport, FL
Station Key West, FL
Station St Petersburg, FL
Support Center New Orleans, LA
Base Woods Hole, MA
S. Weymouth Buoy Depot, MA
Base S. Portland, ME
Station Charlevoix, MI
Station Munising, MI
Group Duluth, MN
Station Fort Macon, NC
Support Center, NY
Aids to Navigation Team Saugerties, NY
Aids to Navigation Team Coos Bay, OR
Base Astoria, OR
Marine Safety Station Portland, OR
Air Station Borinquen, PR (Frmr Ramey AFB)
Depot Corpus Christi, TX
Support Center Portsmouth, VA
Support Center Seattle, WA
Base Milwaukee, WI

ATTACHMENT I

ATTACHMENT I

Locations That Have Been
Cleaned Up (12)

Estimated Costs

Station Michigan City, IN	\$15,000
Crisfield, MD	Unknown
Aberdeen Proving Ground, MD	Unknown
Elk River/Back Creek, MD	Unknown
St Martins Island LT, MI	25,000
Manitou Island LT, MI	25,000
Station Grand Haven, MI	10,000
Station Ludington, MI	25,000
Station Alex Bay, NY	5,000
Station Marblehead, OH	5,000
Station Erie, PA	30,000
LaPointe LT, WI	3,000

Locations That Require
Clean Up (14)

Estimated
Cost

Estimated
Completion Date

Support Center Kodiak, AK	\$10,000,000	
	to	
	50,000,000	2020
Air Station Traverse City, MI	20,000,000	2005
White Shoal LT, MI	100,000	1991
Spectacle Rf LT, MI	100,000	1991
Station Sheboygan, MI	3,000	1991
Station Portage, MI	35,000	1990
Station Saginaw, MI	45,000	1990
Station Manistee, MI	20,000	1990
Support Center Elizabeth City, NC	10,000,000	
	to	
	30,000,000	2015
Station Ft Totten, NY	Unknown	1990
Air Station Brooklyn, NY	Unknown	2000
Station Oswego, NY	3,000	1990
Station Ashtabula, OH	130,000	1990
Base Galveston, TX	Unknown	1991

Source: U.S. Coast Guard

COAST GUARD'S THIRD-PARTY SUPERFUND SITES^aFederal Sites (11)Location

Yaworski Lagoon	Canterbury, CT
Yellow Water Road	Baldwin, FL
Duboise Oil	Escambia County, FL
Sydney Mine	Hillsborough County, FL
Charles George	Tyngsboro, MA
Cannon Engineering	MA and NH
Union Chemical	South Hope, ME
Liquid Disposal Inc.	Utica, MI
Glenwood Landing	Glenwood Landing, NY
Commercial Oil Services	Oregon, OH
Western Processing	Kent County, WA

State Sites (1)

Oak Grove	Paris, TN
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^aThese sites are still in the investigation phase and the Coast Guard has not yet estimated their total costs.

Source: U.S. Coast Guard